Free Hand to Financial Institutions

1118. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the confederation of Indian Industry has demanded that financial institutions be given free hand to off load their holding in poorly managed companies to the highest bidder without any Government interference;

(b) if so, the views of other Industrial Federations in this regard; and

(c) the remedial measures proposed by Government to uplift companies in distress?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Yes, Sir, by and large the other apex associations also hold the same view.

(c) Government have initiated several measures to revive the industrial units in distress. Some of these are:— (i) 'The Sick Industrial Companies (Special Provisions) Act, 1985' has been enacted under which a quasijudicial body designated as the Board for Industrial and Financial Reconstruction (BIFR) has been set up to deal with the problems of sick industrial companies; (ii) The Reserve Bank of India has also issued guidelines to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of sick but potentially viable units a? d (Ml) Small Industries Development Bank of India (SIDBI) is as ministering a Refinancing Scheme for Rehabilitation (RSR) fo' revival of potentially viable sick small scale industrial units.

Industrial investment in States

1119. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what is the percentage of new industrial investment in difierent States of the country during 1997-98 and 1998-99; and

(b) what are the main reasons for preference of a particular State?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) Percentage of the proposed domestic investment in various states during 1997-98 and 1998-99 is given in the statement. (See below)

(b) The preference for setting up of industries depends upon the perception of the entrepreneur about the overall economic environment existing in the State. Major Industrial Investment goes fo those states which can provide better infrastructure, ensure easy availability of skilled work-force and forward and backward linkages in terms of availability of raw material and market for products.

Statement

Proposed Domestic Investment in Various States in Percentage Terms

S. No.	Name of the State/UT	1997-98	1998-99
1	Andaman & Nicobar	0	0
2	Andhra Pradesh	10.08	5.96
3	Arunachal Pradesh	0.00	0
4	Assam	0.04	0.42
5	Bihar	1.88	1.41
6	Chandigarh	0.02	0.03
7	Dadra & Nagar Haveli	3.44	0.60
8	Daman & Diu	0.87	0.19
9	Delhi	0.04	0.00
10	Goa	0.66	0.65
11	Gujarat	13.41	6.49
12	Haryana	4.00	1.75
13	Himachal Pradesh	0.67	0.19
14	Jammu & Kashmir	0.22	0.23
15	Karnataka	7.09	4.32
16	Kerala	1.59	1.40
17	Lakshadweep	0.00	0.00
18	Madhya Pradesh	4.91	7.46
19	Maharashtra	10.09	52.16
20	Manipur	0.00	0.00
21	Meghalaya	0.01	0.01

s. No.	Name of the State/UT	1997-98	1998-99
22	Mizoram	0.00	0.00
23	Nagaland	0.00	0.02
24	Orissa	3.92	3.25
25	Pondicherry	1.54	0.07
26	Punjab	3.12	1.63
27	Rajasthan	2.34	1.92
28	Sikkim	0.00	0.00
29	Tripura	0.00	0.00
30.	Tamil Nadu	14.50	4.90
31.	Uttar Pradesh	10.45	4.00
32.	West Bengal	5.12	0.93
33.	More than One State	0.00	0.01
	TOTAL	100.00	100.00

Industrial and infrastructural investment in Gujarat

1120. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what is the percentage of industrial and infrastructural investment in Gujarat during the last five years; and

(b) whether it is a fact that such investment is showing a downward trend?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Details of industrial and infrastructural investment intent in Gujarat during the last five years is given in the statement which includes number and amount of FDI approvals (cumulative and year-wise) investment in small scale industries sector, investment intents including Letters of Intent granted and investment made in road sector, power sector and telecommunication sector (see below). There has been no downward trend in terms of amount invested in infrastructure and industrial projects in Gujarat during the last five years.